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Supreme Court, U.S.
FILED
JUN 2 8 1992
OFFICE OF THE CLERK

No. 91-1898

In The

Supreme Court of the United States

October Term 1991

VOIT SPORTS, INC.,

Petitioner,

vs.

ERIC W. REIMERS, and SUN MOUNTAIN SPORTS, INC.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

Petitioner has couched the purported Questions Presented in such terms as to predispose an answer in Petitioner's favor. Further, the statement of questions urged by the Petitioner presupposes totally erroneous factual situations and addresses issues and evidence not presented to the courts below. The questions stated are not based upon the record of the present action, but upon hypothetical facts and nonexistent procedural history. A nexus between Petitioner's statement of Questions Presented and the present case is very difficult to establish. However, in an effort to resolve the matter, Respondents restate the Questions Presented in a manner more in accordance with the circumstances of the case, as set forth below.

1. Does the case of *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.* (1989), preempt protection of nonpatented aspects of commercial products and totally preclude the concept of product configuration trademarks?

(a) To the extent that trade dress rights constitute a "monopoly", is such consistent with the constitutional purposes of the patent statutes?

2. Can the appearance of a physical object, which may or may not be subject to design patent protection, be protected under the Lanham Act as having achieved trademark status?

(a) Can visual aspects of a product configuration itself, including ornamental features, features which serve as one of a variety of ways to achieve a particular function, and combinations of features into an overall commercial impression, constitute protectable "trade dress" under the Lanham Act, to the extent that such can be protected from false and misleading imitation?

(b) To the extent, if any, that "trade dress" protection and the purposes of the patent system overlap and are in conflict, what is the balance to be established therebetween?

(c) Is the likelihood of confusion in the marketplace between a product with established trade dress and a subsequent imitation thereof obviated by prominent marking with the trademarks of the distributors of the subsequent imitation?

3. To what extent is an imitator of a patented item entitled to rely on its own interpretation of the literal language of the claims in attempting to avoid liability for infringement of a patent?

(a) To what extent can the Doctrine of Equivalents be utilized to give an inventor the benefit of an invention?

(b) Was the Doctrine of Equivalents properly applied in this case?

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RESPONDENTS' BRIEF IN OPPOSITION

Respondents Eric W. Reimers and Sun Mountain Sports, Inc. (collectively "Sun Mountain") respectfully request this Court to deny the writ of certiorari prayed for by the Petitioner Voit Sports, Inc. ("Voit").

OPINIONS BELOW

The Orders of the courts below are as set forth in the Appendix to the Petition. The Court of Appeals for the Federal Circuit did not file opinions either in affirming the judgment of the District Court or in denying the requests for rehearing and rehearing *en banc* submitted by Voit. None of the earlier proceedings in this matter have been the subject of published opinions.

STATEMENT OF JURISDICTION

The relevant jurisdictional provisions are set forth in the Petition, at pages 2 and 3. This opposition is timely filed under 18 U.S.C. § 2101 and Rule 15.2 of this Court.

STATUTORY PROVISIONS INVOLVED

The relevant statutory provisions are set forth in the Petition, at pages 3-6.

STATEMENT OF THE CASE

Sun Mountain introduced the Eclipse® model golf bag, a revolutionary design having a unique shape and a novel integral stand mechanism, to the golfing market in 1986. The product, despite primarily word-of-mouth promotion, was a phenomenal success and by 1990 was by far the best selling "stand" type golf bag in the United States market.

The Eclipse bag incorporates structures which were the subject of three United States Patents obtained by Eric W. Reimers, President of Sun Mountain. Two of these patents substantially deal with the stand mechanism and were not a part of the present action. The third patent relates to the shape of the bag structure and was the subject of a reissue proceeding, which initiated prior to the entry of Voit's accused product (the "Grass Hopper") into the marketplace. By the reissue procedure, additional claims were added to the patent, the additional claims having language identical to that of the two original independent claims except that wording relating to interior dividers was entirely removed.

During the reissue proceeding Sun Mountain became aware

that Voit had begun, or was intending to begin, importing a golf bag manufactured in Taiwan and distributing it as a part of Voit's product line. Sun Mountain advised Voit as to its claimed patent and trade dress rights, including disclosing the scope of claims which had already been allowed in the reissue proceedings. An initial District Court action was filed in the District of Nevada against Voit and the Taiwanese manufacturer of the accused bag. When the producer of the bag was beyond service of process, the reissue process was completed, and discussions of settlement proved nonviable, an amended complaint was filed. Rather than filing an answer, Voit moved for summary judgment. Sun Mountain cross filed for partial summary judgment and, after briefing, hearing, and submission of substantial evidence, the District Court granted the Order of September 14, 1990 which is set forth in the Appendix to the Petition.

It was not disputed that the Grass Hopper bags literally infringed the added claims of the reissue patent, nor was the validity of the patent challenged. The only patent issues raised went to infringement of the original claims by products of Voit which predated reissue.

Voit introduced a very slightly modified version of the Grass Hopper bag to the market during the briefing period for the summary judgment motions. Subsequent to the September 14, 1990 Order, Voit continued selling the "New Version", taking the position that the Order and Injunction did not apply thereto. Consequently, Sun Mountain moved for clarification and, subsequent to briefing and hearing, the Order of 21 December 1990, effective as of 17 December 1990, was entered to encompass the New Version. After denial of Voit's motions for rehearing, etc., the appeal to the Court of Appeals for the Federal Circuit was commenced and resulted in the *per curiam* affirmance without opinion and the summary denial of requests for rehearing.

Voit's first submission of examples and arguments based on bags similar in appearance to the Eclipse bag was in the final reply briefing to the District Court in December 1990, after which no evidentiary submissions from Sun Mountain were possible. The claim of similar bags involved some examples of bags which were obviously dissimilar to the products in question and two examples of bags produced by or under license from Sun Mountain. Contrary to Voit's position, there was no evidence of "third party bags, having an appearance like that of Sun Mountain" (Petition at page 10).

Voit presented its position that the appearance of its own trademarks prevented customer confusion. This was presumptively taken into account by the lower courts in the analysis relating to likelihood of confusion. The common practice of multiple brand names for a single type of product, under single sponsorship or licensing, may have also played a part in this analysis.

Voit's patent arguments in the lower courts and in its Petition have consistently been based upon the interpretation of the words "full length dividers" and "full length compartments" as being unitary terms constituting inseparable claim elements. Respondents argued throughout that, at most, the "dividers" and "compartments" constituted defined claim elements, and that the adjectival term "full length" could be satisfied by equivalents. Voit has also taken the position that out of context statements in the specification can be utilized to limit the "function" of a claim element for analysis purposes, notwithstanding the plain meaning and the actual situation. Voit's arguments failed in the lower courts, despite being given full consideration.

Respondents' position is that Voit adopted an initial interpretation of the claim language and the law of trade dress specifically for the purpose of permitting entry into the marketplace with an intentional imitation of the highly successful and very

widely known Sun Mountain Eclipse golf bag. Voit has stuck by its version of the facts, or even modified its version to one supporting its current theories, despite proof to the contrary, and continues to present positions totally at odds with the facts as considered by the District Court. Voit's factual allegations, as presented in its Petition, are selected for support of its arguments, and not because of any actual nexus with the facts of this case. In addressing the arguments of Petitioner, below, Sun Mountain will allude to a nonexclusive selection of misstatements of fact perpetrated by Voit in the Petition.

REASONS FOR DENYING THE WRIT

I.

THERE ARE NO TENSIONS BETWEEN PATENT AND TRADEMARK LAW IN THIS INSTANCE, BEYOND THOSE HISTORICALLY RECOGNIZED AND ADEQUATELY ADDRESSED BY LONGSTANDING PRINCIPLES OF LAW.

Voit paints a picture of a conflict between patent law and trade dress law in this matter. This is a new argument by Voit, not previously argued in the action. Further, as volumes of case law have established over the years, none such exists. The nature of the rights granted thereunder are so fundamentally different that no conflict exists.

a) Voit attempts to draw a parallel to the case of *Two Pesos Inc., v. Taco Cabana International, Inc.* 91-971. None exists. In the present case there was a clear finding of secondary meaning in the marketplace, in direct contrast to the *Two Pesos* situation.

b) Petitioner's arguments based on *Bonito Boats* are not only

untimely, being raised for the first time in the instant petition, but are also inapplicable. Trade dress principles do not grant a "monopoly" similar to that of a patent (or that granted by the "plug molding" statute of *Bonito Boats).* The rights in trade dress are transitory and dependent on marketplace perceptions. Product configuration trademark rights, or similar rights applied to packaging, are severely limited to those of producers and/or sponsors who actually establish the perception in the marketplace, and maintain the association in the minds of consumers such that the very appearance of the product connotes an association with a single source. This is far different from the type of monopoly granted by any type of patent. Most significantly, of course, the analysis of *Bonito Boats* turned primarily on the issues of Federal preemption, a non-issue in the present case, since the Lanham Act is a federal statute. The Court clearly recognized this in *Bonito Boats* by distinguishing the protection of Section 43(a) of the Lanham Act from the Florida statute at issue.

c) Much of the content of a product configuration trademark, or trade dress, is not subject to a design patent in the classical sense. Some of the aspects found to be copied in the present case, such as the white piping around the pockets and the cloth spline down the handle seam, fall into this category as being too difficult to depict in a design patent drawing so as to constitute protectable subject matter. Further, the requirement in design patent law that the protected aspect be purely nonfunctional has been interpreted to be much more limiting than the functionality limitation as applied to trade dress. Courts have limited design patent protection in this area especially by reference to the requirement of nonfunctionality of the differences between an overall design and the prior art, *see e.g., Kwik-Site Corporation v. Clear View Manufacturing Co.,* 758 F.2d 167 (6th Cir 1985), a restriction which is not applicable to trade dress considerations. Novelty is also a requirement for the patent protection which is not necessary for trademark. All of these differences are adequately

compensated for by the requirements of distinctiveness, secondary meaning and the like which are applicable to the trademark body of law, and not to the little used design patent law.

d) This is far from a case of an extension of a monopoly without benefit of patent. Voit's products copied far more than the product configuration, there was an obvious attempt to capture the appearance and marketplace goodwill as well. Voit did not simply spot a new idea and adopt it, as in the Sears and Compco cases. Voit waited until after the Sun Mountain golf bags had already been widely accepted in the marketplace and had built up substantial recognition and goodwill, and then Voit attempted to usurp that goodwill by copying not only the function, but the distinctive appearance features and combinations thereof.

e) Voit also takes the position that the use of its own trademarks precludes a finding of likelihood of confusion as to "source". Not only is this a poor example, since Voit in this case applied its trademarks to a product produced in Taiwan by a third party and not produced by Voit, itself, but it ignores a significant portion of the wording of the statute. As set forth in the Petition at pages 5-6, 15 U.S.C. § 1125(a) specifically includes, in addition to restrictions on confusion as to source ("origins"), a prohibition as to confusion as to *"sponsorship or approval of his or her goods"*. In an age where multiple brands are often produced or authorized by a single source, with licensing and franchising common, the public clearly expects to see a variety of trademarks appearing on goods, without a diminution of the perception as to a single source of "origins, sponsorship or approval". Accordingly, even if the relatively inconspicuous trademarks of Voit are given their full weight (improperly, since buyer attraction may occur before these are even visible) this does not overcome the likelihood of confusion created by the copying of the distinctive overall appearance of the goods to the well known Sun Mountain (and Sun Mountain licensed) products.

II.

NO SPECIAL GUIDANCE ON THE DOCTRINE OF EQUIVALENTS IS REQUIRED.

Petitioner would have the Court believe that the lower courts are in need of guidance with respect to application of the Doctrine of Equivalents and that the instant case presents an opportunity to provide such guidance. Respondents submit, to the contrary, that even if there is some question regarding the application of the doctrine, the question does not arise under the circumstances of this case. Furthermore, the Court of Appeals for the Federal Circuit, having exclusive appellate jurisdiction, is fully capable of resolving any disparities in application of the doctrine by its own panels.

a) Contrary to the position taken by Voit, the present case is exactly the sort of circumstance for which the Doctrine of Equivalents, as set forth in the case of *Graver Tank & Manufacturing Co. v. Linde Air Products, Inc.* (1950), was intended. The facts of the present case clearly established that Voit's supplier slavishly copied every element of the primary claims of the patent in suit, with a single exception. Even that was not a complete exception. Far from a good faith attempt to avoid the teachings of the patent by utilizing a different structure, the present case represents a clear attempt to achieve an equivalent structure by making a slight and insignificant modification in a single element. There can be no question that Voit's supplier simply tried to squeeze through a perceived "loophole" rather than making a legitimate attempt to avoid the patent.

b) Petitioner would have the Court believe that the lower courts ignored an entire element of the claims in applying the Doctrine of Equivalents in the present case. This is simply not true. Voit has consistently presented its position at all levels of the case, and has

had it soundly rejected in each instance. It really boils down to a question of semantics. Voit's position presumes that an "element" of a claim is not only the base noun, but also the attendant adjectives. The "elements" of the independent claims which Voit asserts to have avoided in good faith are "full length" "dividers" and "compartments" formed by dividers. It is unquestioned that the accused bags include "dividers" and "compartments" formed by dividers. The element, as it is understood by Respondents, and apparently by the lower courts, is the noun, and this was undisputedly present in the Voit bags. The only difference lies in the adjectival qualities of the elements. Respondents successfully argued that, for the purposes involved, the partial dividers employed by Voit's supplier were the equivalent, under *Graver Tank*, to the full length elements set forth in the literal language of the original claims.

c) Petitioner also seeks to limit a consideration of equivalent structures by restricting the "function" portion of the analysis to out of context wording in the specification. Not only does this ignore other statements in the specification which indicate additional functional aspects but fails to follow the basic principle that patent language is to be interpreted in accordance with the relevant art. In the present instance there is no question whatsoever that any golfer would immediately recognize that the interior dividers are intended to separate the clubs and to prevent entanglements, yet Voit seeks to characterize this clear purpose as "advertising" and to imply that it was improper for the District Court to consider this.

d) Petitioner further seeks to argue, at this stage, that the partial length dividers of its bags were not equivalent to the corresponding elements of the claimed invention. This omits mention of the fact that Voit itself publicly advertised the Grass Hopper bags as having "full length interior dividers" when, in fact, they did not. Especially in this light, the lower courts were fully justified in rejecting Voit's denials of equivalent structure.

e) Petitioner also asserts something which appears to be a transmogrified version of the Doctrine of File Wrapper Estoppel. Voit alleges that since Applicant Reimers cited prior art patent references which had partial length dividers in the patent specification, and distinguished them by pointing out some of the disadvantages of the specific structures, this acts to prevent the patent from being interpreted under the Doctrine of Equivalents to encompass anything with partial length dividers, regardless of the overlap in other aspects. Not only does this ignore the fact that the Applicant also referenced prior art patents having *full length* dividers as well, but totally misses the entire purpose of the file wrapper limitation. As was abundantly clear from the grant of the reissue patent in which the claims were granted with no reference whatsoever to dividers of any sort, be they full length or partial length, this was not an element which was in any way crucial to patentability. Nothing in the arguments presented to the Examiner indicated a reliance on a distinction based on the length of the dividers as being the patentable aspect of the invention. In fact, such could not have been the case since the prior art included several examples of the full length dividers. This was, as it developed, a secondary issue which was irrelevant to eventual patentability. Equitable considerations, such as are embodied in the principles set forth in *Graver Tank*, do not support a position which strangle patent protection by limitation to the isolated language of the specification.

CONCLUSION

Petitioner Voit's prayers for the grant of certiorari in this matter are unsupported by either the facts or the law. Voit has postulated facts different from those ruled upon by the lower courts and tailored those facts to support hypothetical conflicts in the legal structure. Voit's versions of the facts and arguments as to the law, to the extent that such are not presented for the first time in the Petition, were considered by the lower courts and unanimously rejected. Nothing in the present case rises to the level of requiring a ruling from this Court. For all of the above reasons, Sun Mountain respectfully requests that the Petition for Writ of Certiorari be denied.

Respectfully Submitted,

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